

Democratic Economic Stimulus Plan



Fair



Fast-Acting



Fiscally Sound

Democratic Economic Stimulus Plan

Principles

Any stimulus plan should:

- Be front-loaded and fast-acting
- Avoid mushrooming deficit in long-term
- Boost consumer demand and investment
- Help states through their fiscal straits
- Spur economy by funding homeland defense
- Devote every penny to short-term stimulus

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Proposals

FY 2003

- **Help for the Unemployed
Looking for Jobs** **\$18 Billion**
- **Tax Cuts for America** **\$87 Billion**
- **Targeted Assistance
Including Relief for States
and Localities** **\$31 Billion**

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Billions of Dollars

2003

2003-13

Extension of Unemployment Benefits

18

10

Tax Relief for Working Families

55

58

Tax Relief for Investment & Job Growth

32

1

**Targeted Assistance, Including Aid to
States and Localities**

31

31

Homeland Security - \$10 Billion

Infrastructure - \$5 Billion

Medicaid - \$10 Billion

Special Support for Critical Needs - \$6 Billion

Total

\$136

\$100

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Individual Tax Proposal:

- **Get back 10% of what you earned in 2001, up to \$6,000 of wages (couple)**
- **Rebate paid from Treasury, not Social Security Trust Fund**

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Creates New Jobs

Number

Methodology

1.7 million

Percentage of GDP

800,000 to
1.7 million

Model by Yale Economics Professor
Ray C. Fair

1.6 million

Okun's Law

850,000

Bush Administration Council of
Economic Advisers' Methodology